

Bias Rule Eased by The GSA

By Thomas Grubisich

Washington Post Staff Writer

THE FEDERAL government agreed to strike out a major provision of its nondiscrimination clause in a contract that cleared the way for construction of a \$41 million building in Reston. The government plans to lease the building as the new headquarters of the Geological Survey.

Under the deleted language, the government would have had the right to cancel, terminate or suspend its lease if the lessor—Gulf Reston, developer of the new town—failed to offer equal employment opportunity at the facility.

The government, though, said the provision was academic in this case because federal agencies would fill all 2,800 jobs at the survey, and the jobs would be under Civil Service nondiscrimination regulations.

Nevertheless, deletion of the nondiscrimination provision, first issued in an executive order by President Kennedy in 1961, appears to be without precedent in federal lease contracts. W. H. Sanders, deputy commissioner of public buildings in the General Services Administration, which signed the contract, said the deletion was "unique—that's the best description for it."

"We hope it doesn't become a precedent," he said.

GSA agreed to the deletion, it said, after Gulf Reston claimed the provision would make financing of building construction impossible or more costly. The firm is still negotiating financing.

However, Gulf Reston said concern about financing had nothing to do with the deletion. Dennis McCarver, an attorney for the firm, said the language was stricken because it did not conform to a provision which spelled out what he said were the only conditions under which the government could terminate the lease.

McCarver quoted the provision: "The government shall have the option to purchase the facility at anytime during the 20-year lease term upon six months' notice to Gulf Reston . . ." The price would be the unpaid prin-

Sole Legal

14 Jan 71
18 Jan 71
19 Jan 71

Bias Clause Is Stricken in Contract for GSA

GSA, From K1

"I just struck out the language that wasn't consistent with this provision," McCarver said, "and no one from the government objected."

GSA's Sanders said that although the deleted clause seemed to be academic, "it is something we will have to reckon with" when formal lease papers are signed — shortly before construction of the building is completed, probably three years from now.

Sanders said that under regulations of the President's Committee on Equal Employment Opportunity, deletion of the clause will have to be approved by the Secretary of Labor before the actual lease can be signed by the GSA. He said "we may very well seek a waiver on this language." Otherwise, he explained, Gulf Reston would be left with a \$41 million "white elephant in the boondocks."

Some Reston community leaders expressed concern about the deletion, even if its application is academic. They said the clause at least had a symbolic meaning in a new town that proclaimed itself to offer equality in employment, housing and community affairs.

Margery Lane, head of the Reston Community Association's task force on the Geological Survey's move to Reston, said the deletion "is a big mistake. It's a terrible mistake. No one should be going to the Secretary of Labor to get an equal employ-

ment provision waived, even if it is 'academic.'"

Linda Kuzmack, chairman of the community association's housing committee, said: "It is highly significant that the clause was deleted. It probably reflects the Survey's thinking that in moving out to the suburbs they will probably employ fewer blacks, and therefore they don't want to push the equal employment opportunity clause."

The community association, a citizens' group, has for some time been unhappy with the government's handling of the Geological Survey's move to Reston from its scattered offices in the District and the suburbs. Leaders of the association's housing committee are fearful that when the Reston headquarters opens sometime in 1973, there will not be enough housing in the new town for low- and moderate-income employees.

About 800 Survey employees make less than \$10,000. Another 200 support personnel that the GSA will employ at the headquarters also make less than \$10,000.

To date, there are plans for about 447 subsidized units in Reston for which moderate-income Survey employees could qualify. But 227 of these units — apartments — will be finished well before the Survey moves to Reston. Mrs. Kuzmack said that given the acute shortage of moderate-cost housing in Fairfax County, these units will probably be occupied when Survey employees look for a place to live in Reston.

Gulf Reston wanted to build 454 of these apartments, but the Federal Housing Administration, which is subsidizing the project, would only agree to half that number.

Mrs. Kuzmack said her housing committee and other community groups have had a "total lack of cooperation" from the Geological Survey in their efforts to help on the housing problem.

The community association has sought a seat on the government-Gulf Reston committee that will study housing needs of Survey employees, but federal officials have turned down the request.

William Schmidt, who is coordinating the Survey's move to Reston, said the government is willing to listen to suggestions, but that it would be "inappropriate" for community groups to sit on the committee. "If you grant an exception in one case," he said, "where do you stop? We wouldn't be able to do any work."

Gene Bergoffen, president of the community association, said he was disheartened the government took this position. "This is the age of public participation," he said. "Their attitude hasn't fostered any cooperation."

The Survey and the GSA insist the government is taking all necessary steps to avert problems for Survey employees who will want to move to Reston. Once construction contracts are awarded, possibly later this month, the Survey will begin gathering data on its employees' housing needs.

Government officials point out that Gulf Reston has constructively agreed to construct housing for Survey employees who wish to move to Reston.

Mrs. Kuzmack said, though, that the language of this agreement ("... Reston will offer ... to construct a variety of housing units at reasonable prices ...") is far less specific than other conditions in the contract.

Since the government, several years ago, began large-scale shifts of federal offices from the District to the suburbs, it has frequently been criticized for failing to consider the housing and transportation needs of its low- and moderate-income employees.

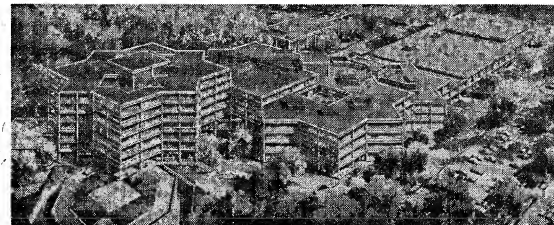
The Washington Housing and Planning Association has a suit in District Court asking that the government be required to take "affirmative action" on housing and transportation needs in future shifts to the suburbs. The suit grew out of the Navy Department's move from Constitution Avenue to

Arlington. The Navy Department employs 4,000 persons making \$6,548 or less.

Reston — under its present and former developers — has been trying to bring the Geological Survey to the new town for more than five years. Reston wants the Survey as the showcase of its industrial park. The Survey wants a headquarters in Reston so that it can put all its offices — now at 17 locations — under one roof.

Reston offered a considerable inducement to the Survey. It gave the agency, which is part of the Interior Department, 50 acres free of charge. Later the government purchased an additional 35 acres for \$245,000.

Though both Reston and the Survey wanted to get together, Congress did not appropriate funds for construction of the headquarters. Then Gulf Reston proposed a lease-purchase arrangement that government officials have described as "very generous." Under the agreement, Gulf Reston would assume all responsi-



The \$41 million Geological Survey headquarters to be built in Reston was designed by Skidmore, Owings and Merrill. In the 14 years the Survey has sought a new headquarters, costs have more than doubled from the \$20 million estimated in 1956. The Survey, part of

the Interior Department, is the nation's official mapmaker. It also classifies public lands, examines geologic structure and mineral resources, collects data on physical features and mineral and water resources, and oversees offshore oil drilling.

bilities for arranging construction financing and getting the facility built. The firm would charge rent for 20 years that would amount to the total cost it incurred. Under the contract it signed with the GSA, Gulf Reston is not to make any profit on the project. After 20 years, the government would ac-

quire the building at no additional cost.

The GSA's Sanders said that while Gulf Reston would not make a profit on the lease-purchase, it did not want to run the risk of taking a loss either. He speculated that the firm viewed the stiff language of the non-discrimination clause ("In

the event of the contractor's noncompliance with the non-discrimination clause ... this contract may be canceled, terminated or suspended ...") as an unnecessary risk — of its investment and that of the financing institution that loaned construction money.